

TOWN BOARD MEETING
September 20, 2005 - 5:00 PM

The meeting was called to order by Supervisor Hundt at 5:05 p.m.

Salute to the Flag was conducted.

Emergency Exits were pointed out by the Supervisor.

Roll Call:

Councilman Devine	Present
Councilman Russell	Present
Councilwoman Doyle	Present
Councilman Carroll	Present
Supervisor Hundt	Present

2006 BUDGET REVIEW

After an introduction by Supervisor Hundt, the budget director Rae D'Achille led the Town Board through a review of the budget. She emphasized that at this point all numbers are preliminary. The purpose of this review was to be a first pass at the budget requests from the various "cost centers".

Rae D'Achille clarified several things:

1. The law requires that the Town Board present a tentative budget to the Town Clerk by October 1. The tentative budget must include revenues. Today's budget review meeting is limited to expenses; revenues will be discussed at a future meeting.
2. The budget line items will be organized by "cost center" or function, rather than by department. This allows a more accurate picture of the cost of each functional unit of the town.
3. State Retirement. Previous budgets had no line item for state retirement. This budget has 7% added to each cost center to cover retirement.
4. Mileage must always be reimbursed with "objective evidence" that states start and end points of the trip, and the reason for the trip.
5. The Town may want to consider a Purchase Order system whereby expenses must be approved before money can be spent. This provides tighter control of expenditures.
6. The number of people authorized to purchase items in the town's name should be limited. This applies especially to the Recreation department.
7. All line items related to heating costs should be increased in light of the recent rise in oil prices.
8. Health insurance may go up 25% in 2006.

9. Town money should come in through one office with a receipt book. At this time, that is the Town Clerk office.

As each department "cost center" was reviewed, various remarks and clarifications were made:

Lighting Fund

Amenia and Wassaic lighting - same as prior years.

Water Fund / retirement

Water revenue seems to be running behind budget: as of August 31, only \$43,000 was collected on \$80,000 expected annual revenue. The water bills will be sent out October 1. Gary Bonds is the only employee of the Water Department and the town contributes towards his retirement. The NYS Comptroller suggests budgeting between 5 and 10% to cover retirement costs, rather than the 2% that was used in the past. This policy is intended to avoid a major hit in the future, since many state employees will be retiring in the next five years. Rae mentioned that a retirement reserve account could also be set up.

Last year the water budget was \$120,900. To meet an increase in this area, either the user fee or the property tax must go up.

Fire

The Fire Company owns the building but the Fire Commission owns the trucks. Are there any revenues to alleviate the cost?

Highway Fund

The budget request for the Highway Department for 2006 went down due primarily to the fact that the 2005 budget had \$165,000 for a new truck. By comparison, the 2006 budget has only \$50,000 for a new back hoe. As of August 31, only about \$200,000 out of \$800,000 budgeted had been spent. The CDBG for 2005 is for \$90,000; \$44,000 came in last week and another \$46,000 is expected before year-end.

The salt shed will be a non-recurring expenditure and should not be in the Highway Department budget. Rather, a "capital project" should be established which requires Town Board resolution. It could be called simply "Capital Project to build a new salt shed." Then the money for the salt shed can be placed in a capital reserve account. Because the "capital project" is not an operating fund, it is not supported by tax dollars. Money for the salt shed may come from various sources: the Tri-Wall CD (Certificate of Deposit) has about \$270,000 which is currently earning about 2% interest.

The Highway Department is asking for a slim increase in salaries, so the appropriations side can't be decreased by much. CHIPS revenue is not in yet.

General Fund

Rae D'Achille said that based solely on department requests, the general fund would increase 11% over last year. Again she stressed that these are preliminary figures. Rae then lead the Town Board through a review of the budget request from each area, with questions and comments:

Assessor

no change from last year.

Town Clerk

The \$2,000 request for CPA services to reconcile the bank accounts can be reduced since this service can be performed by someone other than a CPA. Also, the reconciliation of the Town Clerk bank accounts should ideally be done by someone outside of that office.

The budget request for this area includes increasing the hours for the deputy town clerk to 30 hours per week, thus enabling the office to be open every weekday. This would entitle Patty Barron to receive the benefits of a full-time employee including health insurance, the cost of which would be shared with the town paying 70% and the employee paying 30%.

There was some discussion about the cost of binding the minutes and the birth and death records. Various vendors provide this service and competitive bids should be sought.

Town Attorney

The Town Attorney salary should come from a budget line item for "contractual" (line item number ending ".4"), rather than "personal services" (line item number ending in ".1") because benefits must be paid for employees paid from ".1" line items. The Town Attorney does not receive benefits from the Town. The attorney hourly rate for 2006 is \$110 for general work and \$135 for litigation, both \$10 increases over 2005.

Buildings

The expenses for channel 22 Public Access have been assigned their own budget line items. In the past, the videographer was not booked. The Parking Lot Rent mentioned in this area is for the lot next to the library. The cost of mowing (usually about \$10,000) should be included here rather than under Recreation.

Control of Dogs

Salary should be in a ".4" line item (to avoid benefits).

Building & Zoning

New software is needed to integrate the building and assessor functions. Nancy Brusie needs a cell phone. This can be obtained from the NYS contract or there may be an extra cell phone in town hall. The line item for Attorney Fees in this part of the budget is redundant and can be removed.

Parks/Recreation

Mowing line item will be moved to Buildings. Town procurement policy takes precedent over local vendors. A policy to waive registrations fees for children of volunteers requires Town Board resolution.

Planning/Wastewater

The expenses for Wastewater have been assigned their own line item numbers within this section of the budget. If a special district is formed, it must be approved by the State Comptroller. To handle wastewater funds in 2006, a capital fund could be created to remove the item from the General Fund. When a district is formed, the General Fund could be repaid from the district funds. This maneuvering is necessary because it is not legal for general fund (taxpayer) money to be used for a purpose that benefits only certain taxpayers (e.g. those who live within the special district).

As elsewhere, the line for Attorney Fees is redundant and will be removed.

Refuse/Garbage

The annual revenue stream for refuse dropped from about \$35,000 down to about \$20,000 a few years ago. Why? As of August 31, only \$25,500 out of a budgeted revenue of \$37,000 has been received.

Debt Service

The capital note of \$70,000 will be retired in 2005. However, a Bond Anticipation Note (BAN) of \$30,000 was incurred in the middle of 2005. The Town Clerk keeps a "Debt Register" for all debts on the Town.

Next Budget Meeting

The next Budget meeting was set for Friday, September 30 at 5:00.

BIDS TO DRILL NEW TOWN WELL

Gary Bonds reported that he had received several bids for the drilling of the new town well. His recommendation is to accept the lowest bid from B.F. Beale & Son which is for \$28 per foot for the casing and \$20 per foot for the drilling. The other bids were higher.

Councilman Carroll questioned the need for the new well at this time, especially since it will be sited next to an existing well which is failing. Has everything been done to ensure that the new well is absolutely needed; for example, has the check valve (on the failing well) been checked? Could the new well be drilled on the 47-acre recreation park? Gary Bonds responded that the failing well (well #1) has been losing volume for 2 or 3 years, down to 30 gallons a minute from 45 gallons a few years ago. The new well will be financed from the capital improvement fund of \$125,000.

Supervisor Hundt explained that we need the new well as soon as possible and moved to accept the bid of B.F.Beale & Son.

ACCEPT BID OF B.F.BEALE TO DRILL NEW TOWN WELL

MOTION: S/Hundt

SECOND: C/Russell

ROLL CALL: C/Carroll - NO C/Devine - AYE
C/Doyle - AYE C/Russell - AYE
S/Hundt - AYE

MOTION CARRIED 4 to 1.

ADJOURNMENT

The motion to adjourn was voted for unanimously. Meeting ended at 7:30.

Respectfully submitted,

Gail Hermosilla,
Amenia Town Clerk